

June 14, 2005

Ms. Mary L. Cottrell
Secretary
Dept. of Telecommunications & Energy
One South Station
Boston, MA 02110

Re: Docket No. DTE 05-10 - 2004 TC Reconciliation Filing

Dear Ms. Cottrell:

This letter provides the response to requests for the information listed below.

Response to AG-02 Interrogatories dated 06/03/2005

AG2 - 001 , 002 , 003 , 004 , 005 , 006 , 007 , 008 , 009 , 010 , 011 , 012 , 013 , 014 , 015 , 016 , 017 ,
018 , 019 , 020 , 021 , 022 * , 023 * , 024 * , 025 , 026 , 027 , 028 , 029

Very truly yours,

Stephen Klionsky

SK/tms
cc: Service List

* Bulk material provided.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-001
Page 1 of 1

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Referring to the response to AG-01-004, please explain how the after-tax carrying cost was calculated and why it is different from the pre-tax carrying cost times 60.775%.

Response:

Referring to the Company's response to AG-01-004, the after-tax carrying cost was calculated using an effective tax rate of 40%. This effective tax rate is consistent with the Company's previous carrying cost calculations approved by the Department in D.T.E. 00-33, D.T.E. 01-36/02-20 and D.T.E. 03-34, the Company's 1998-2002 approved transition charge reconciliations.

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Referring to the response to AG-01-006, page 2, is it the Company's position that the Department explicitly authorized the proposed 50/50 sharing of the costs between customers and shareholders in DTE 03-82? If the response is affirmative, please provide a specific citation to such authorization. If the response is negative, please provide the authorization for the 50% sharing.

Response:

Yes, it is the Company's position that the Department, in D.T.E. 03-82, authorized the 50/50 sharing of the increase in net income with customers. The sharing proposal was a central issue in the proceeding. The topic was briefed by the parties (see, e.g., the Attorney General's Initial Brief, p. 6). In the Department's July 19, 2004 Order, the Department describes WMECO's sharing proposal as follows: "WMECO states that because the ultimate benefit of the financing would not be realized by customers until the Company's next rate case, it [WMECO] proposes to share the increase in net income with customers until that time, with 50 percent passed back to ratepayers through the annual transition charge reconciliation (Exh. WM-2, at 5; Tr. at 64)....The Company proposes to implement the sharing mechanism only until the next rate case..." (Order, p. 4). In its Order, the Department found that "The Company has demonstrated that the creation of the Trust will decrease WMECo's average cost of capital and benefit ratepayers both in the short-term through the proposed sharing mechanism and in the long-term through a lower weighted cost of capital" (Order, page 17). The Department proceeded formally to order into effect WMECO's financing proposal, including the sharing mechanism (Order, page 22). While the Company believes the Department's Order, as cited above, is dispositive, the record is replete with additional references to the sharing mechanism should additional information be needed.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-003
Page 1 of 1

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Please explain why the Company believes that it is appropriate to include the SOS Under (Over) Recoveries in the transition charge rather than reconciling the Under (Over) Recoveries through Basic Service charges.

Response:

The Company believes that it is appropriate to recover the SOS under recovery through the transition charge (TC) for the reasons indicated below.

First, the SOS has been terminated as of March 1, 2005 and all customers on the SOS rate who have not elected an alternate supplier have been converted to Basic Service, (formerly known as Default Service). Any under-recoveries for Default Service have been included in the TC based on the Company's approved tariffs. The treatment of recoveries for Basic Service is also the same recovery procedure as the former Default Service based on the Company's approved tariffs.

Also, the Company believes it is appropriate to include the SOS under-recovery in the TC because of its significant cumulative over-recovery. This allows the Company to seek recovery without additionally burdening the customer with a potential surcharge to rates.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-004
Page 1 of 2

Witness: Robert A. Baumann
Request from: Attorney General

Question:

Referring to Exhibit RAB-1, Page 1, please explain why the SOS revenues were \$2,856,000 less than the SOS costs in 2002.

Response:

See page 2 of 2 for the details of the \$2,856,000 under recovery.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-005
Page 1 of 2

Witness: Robert A. Baumann
Request from: Attorney General

Question:

Referring to Exhibit RAB-7, Page 1, please explain why the SOS revenues were \$4,627,000 less than the SOS costs in 2003.

Response:

See page 2 of 2 for details of the \$4,627,000 under recovery.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-006
Page 1 of 1

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Referring to Mahoney testimony, page 7, please provide specific cites to where past DS over/under-recoveries have been included in transition charge reconciliations.

Response:

Referring to Mr. Mahoney's testimony, Page 7, the statement indicating that prior Default Service (DS) over/under recoveries have been included in the transition charge was referring to the Company's transition cost reconciliation filing in D.T.E. 04-40. The Company has received approval to recover the 2001(1) DS under-recovery in D.T.E. 03-34, Page 3. Also, refer to D.T.E. 02-77 and D.T.E. 03-125 (the Company's 2003 and 2004 Rate Change Filings respectively) approved by the Department.

(1) Please note that the Department incorrectly referenced the date as 2002 in its order. The date should in fact have been 2001 which was the Standard Offer, Default and Transmission before the Department for review.

**Witness: Robert A. Baumann
Request from: Attorney General**

Question:

Referring to the response to AG-01-007, page 4, if the 2001 DS under-recovery was recovered over the twelve months in 2003, why is Company proposing to also include the 2001 DS under-recovery in the 2003 transition charge reconciliation?

Response:

In the D.T.E. 02-77 rate change filing, the Company requested that the 2001 default service undercollection of \$2.6 million be recovered in 2003 rates. An adjustment factor of \$.00067 per kWh was approved for recovery, but the Default Service reconciliation itself was subject to review in the next Transition Charge Reconciliation Filing. This default service adjustment factor was included as a component of the total 2003 Base Transition Charge factor.

In the 2002 Revised Transition Charge Reconciliation filing in D.T.E. 03-34, the Company provided an update to the 2001 undercollection (Revised Under collection including interest of \$2,923,919 per D.T.E. 03-34 Exhibit RAB-4, page 1 of 3.) The D.T.E 03-34 default service reconciliation was approved by the Department on September 24, 2004 without any change to the .00067 per kWh recovery level.

In the instant Docket, the Company is including the final reconciliation of the 2001 default service costs on Exhibit MJM - 3. Final 2001 DS costs of \$2,923,919 are included on page 3, column H, and 2001 default service adjustment factor revenues of \$.00067 per kWh are included as part of the 2003 base transisiton charge factor of 1.414 cents per kWh on page 1, column H. Therefore the Company is not requesting an additional \$2.9 million, but rather a final true up of the actual 2001 undercollection.

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Referring to the response to AG-01-010, page 4, why is the Hydro-Quebec revenue so much less in 2004 than in 2003?

Response:

The decrease in the Hydro Quebec revenue from the year 2003 to 2004 is attributed to two items, A) ICAP and B) excess transmission revenue.

A. In AG-01-010, Page 4, Columns B and C, indicates excess ICAP was available to sell in 2003 whereas in 2004 the availability of excess ICAP has diminished.

B. In AG-01-010, Page 4, Column A, decreases are the result of lower excess transmission revenue from 2003 to 2004. More specifically this revenue is derived from sales of NU owned transmission service between Hydro Quebec and New England. Hydro Quebec is the primary purchaser of the excess transmission service utilizing it to sell excess generation to New England. In the latter part of 2003 sales from Quebec to New England stopped because of Quebec's possible concerns over the projected inventory level of their primary fuel source for generation (water). Quebec identified that water inventory had fallen below a level at which sales could be made to the US. In July 2004 excess transmission revenue resumed therefore it is assumed that water level concerns by Hydro Quebec were alleviated.

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Referring to the response to AG-01-011, please identify the associated expenses netted against Hydro-Quebec revenues on Exhibit MJM-3, page 9. The response should also describe the distinction between Hydro-Quebec expenses included in Column J on Exhibit MJM-3, page 9 and the expenses netted against revenues in Column K.

Response:

The amounts for 2003 and 2004 of \$2,929,000 and \$2,779,000 (corrected amount \$2,742,403 per AG-01-010) shown on Exhibit MJM-3, Page 9, Column J, represent Hydro Quebec (HQ) transmission support payments. These payments are for WMECO's proportionate share of the expenses associated with the HQ Phase I and II tie line between New England (NE) and Quebec. These payments entitle the Company to utilize its share of the tie line transmission capability to wheel power between NE and Quebec.

The net revenue shown in Exhibit MJM-3, Page 9, Column K, is derived as follows

<u>Revenue</u>	<u>2003</u>	<u>2004</u>
Sale of Purchased Power (1)	\$3,659,000	\$0
Sale of Purchased Power	347,719	0
WMECOs Trans Rights to Others	940,994	431,613
Sales of Excess Capacity	147,824	8,900
Sales of Excess Power/Capacity (ICAP)	0	23,861
Total Revenue	\$5,095,537	\$464,374
<u>Less: Expenses</u>		
Power Expense	3,725,401	0
ISO NE	595	861
ISO NE ICAP Adjustment	0	42,442
Total Expenses	\$3,725,996	\$43,303
Net Revenue (2)	\$1,369,541	\$421,071

(1) Amount provided in Company's response to AG-01-011

(2) Ties to Exhibit MJM-3, Page 9 and AG01-010, Page 4

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-010
Page 1 of 1

Witness: Robert A. Baumann
Request from: Attorney General

Question:

Referring to the response to AG-01-017, please explain how the Company estimates the SOS and DS unbilled revenue as of the end of a given month.

Response:

For the period in question, total unbilled sales were estimated using the requirements method. This method takes the total sendout for the month and multiplies it by a delivery efficiency factor to estimate how much load is available for sale to customers. Monthly billed sales are subtracted from this amount, resulting in the change in unbilled sales from the prior month. This is used to estimate the current month's unbilled sales balance.

Those unbilled sales are allocated to the classes by unbundled component, including SOS and DS, in the same proportion as adjusted billed sales. Adjusted billed sales are billed sales except that beginning in December 2004, adjustments have been made to exclude large end of month customers. The unbilled revenue balance is calculated by using the estimated unbilled sales multiplied by the average billed rates by class by unbundled component for the current month.

Witness: Robert A. Baumann
Request from: Attorney General

Question:

Exhibit RAB-9, page 2 shows approximately \$12.7 million of billed SOS revenue in February 2005. Please explain why the unbilled SOS revenue as of February 28, 2005 on page 4 of the response to AG-01-017 is only \$4.6 million, which is substantially less than one-half of the billed revenue for February 2005.

Response:

The percentage of unbilled revenue to billed revenue can vary month to month depending on the timing of the billing cycles and weather each month. This percentage is generally in the 40 – 50% range, however, for SOS for the month of February this ratio is approximately 36%. While this is lower than average, the estimate of unbilled sales in February was affected by the timing of the cycle billing and weather.

There are 20 scheduled readings, called billing cycles, which take place each month since all customer meters cannot be read at the end of each month. Because February is a short month, the final read schedule (cycle 20) included usage on March 1st. As such, billed sales are inflated because they include an additional day of usage. As described further in AG-2-10, billed sales are subtracted from total sales to determine the change in unbilled sales. Since total sales are calculated using actual February usage which does not include the March 1 activity, and billed sales for February are inflated by one day, unbilled sales are by default lower by one days activity. While February sales in total are appropriate, billed sales are high by one day and unbilled sales are low by one day resulting in a lower unbilled to billed ratio.

In addition, weather appears to have impacted this ratio because January daily average load usage is higher than February. As January unbilled sales at the higher level become billed sales in February, and February unbilled sales are at the lower load level, this will also reduce the unbilled to billed ratio.

It is important to realize that the SOS unbilled revenue is only an estimate, and estimated unbilled sales eventually turn into actual billed sales. To the extent there is a difference between actual and estimated SOS unbilled revenue as of February 28, 2005, the difference will be picked up as DS revenues in the 2005 DS reconciliation. Therefore customers will be made whole for any difference between estimated and actual unbilled SOS revenues as of February 28, 2005.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-012
Page 1 of 1

Witness: Robert A. Baumann
Request from: Attorney General

Question:

What was the billed SOS revenue in December 2001?

Response:

Billed SOS revenue was \$18,886,175 in December 2001.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-013
Page 1 of 1

Witness: Robert A. Baumann
Request from: Attorney General

Question:

Please explain why the interest on the SOS and DS over/under-recoveries is calculated on the pre-tax balances rather than on the after-tax balances.

Response:

In D.T.E. 02-20, the Company calculated the interest using the after-tax balances. However, in the Phase II order in D.T. E. 01-36/02-20, the Department directed WMECO to adopt the same format for filing future reconciliations as was used by other Massachusetts distribution companies in order to provide consistency and to allow for efficient review of the filings. Specifically, WMECO was ordered to revise its filing in D.T.E. 03-34 to comply with this directive. In September 2002 WMECO filed revised 2001 data in DTE 03-34 to reflect MECO's methodology. MECO's methodology did not provide for interest on the after-tax balance.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-014
Page 1 of 1

Witness: Robert A. Baumann
Request from: Attorney General

Question:

Referring to the response to AG-01-018, please provide specific cites to any explicit authorization by the Department to include Generation Information Systems Costs and Consulting Costs in reconcilable SOS costs.

Response:

As stated in the response to AG-01-018, WMECO is obligated by G.L. c. 164, sec. 1B, to provide Standard Offer (SO) and Default Service (DS) (now also known as Basic Service) to customers. WMECO believes that this is implicit, if not explicit, authorization to collect reasonable costs inherent in the delivery of SO and DS (SO/DS). Reasonable costs include costs billed to WMECO from ISO-New England. Reasonable costs also include consulting fees that have been mandated by the Department. Certainly, these costs are outside WMECO's control. In the future, should the ISO determine that such costs do not need to be collected or the Department determine that an independent consultant is not needed, these costs will be eliminated and WMECO will not have to pass them on to its SO/DS customers.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-015
Page 1 of 1

Witness: Robert A. Baumann
Request from: Attorney General

Question:

Referring to the response to AG-01-023, please provide specific cites to any explicit authorization by the Department to include the Legal Costs on SOS/DS Litigation in reconcilable SOS and/or DS costs.

Response:

As stated in the response to AG-01-018, WMECO is obligated by G.L. c. 164, sec. 1B, to provide Standard Offer (SO) and Default Service (DS) (now also known as Basic Service) to customers. WMECO believes that this is implicit, if not explicit, authorization to collect reasonable costs inherent in the delivery of SO and DS (SO/DS). One reasonable cost is defending WMECO's customers against suppliers' claims that customers should pay more for SO and DS. The suppliers' claims primarily concerned the imposition of congestion costs. WMECO has argued successfully in court and elsewhere that these costs were the obligation of the supplier and not WMECO's customers. Had WMECO not undertaken its efforts, customers almost certainly would have been saddled with substantial additional costs. WMECO asks for no reward to taking these efforts, but it should not be penalized for doing the right thing and protecting its customers from higher SO and DS costs.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-016
Page 1 of 2

Witness: Robert A. Baumann
Request from: Attorney General

Question:

For the years 2004 and 2003, please provide the monthly standard offer revenues for each class.

Response:

Please refer to page 2 for the monthly standard offer revenues by customer class.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-017
Page 1 of 2

Witness: Robert A. Baumann
Request from: Attorney General

Question:

For the years 2004 and 2003, please provide the monthly default service revenues for each class.

Response:

Please refer to page 2 for the monthly default service revenues by customer class.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-018
Page 1 of 2

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

For the years 2004 and 2003, please provide the monthly transmission revenues for each class.

Response:

Page 2 provides the monthly 2003 and 2004 transmission revenues presented in Exhibit MJM-4 by customer class .

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-019
Page 1 of 2

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

For the years 2004 and 2003, please provide the monthly transition revenues for each class.

Response:

Page 2 provides the monthly transition revenues presented in Exhibit MJM-1 by customer class.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-020
Page 1 of 3

Witness: Michael J. Mahoney; Robert A. Baumann
Request from: Attorney General

Question:

For the years 2004 and 2003, please provide the actual monthly bill determinants for each rate element for each class.

Response:

The Company is able to provide 2003 and 2004 total monthly kWh and number of customers for each rate element as shown on pages 2 and 3. However, all billing determinants for these rate elements are not available (for example, the determination of transmission revenue relies on kW demands in certain rate classes).

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-021
Page 1 of 60

Witness: Robert A. Baumann
Request from: Attorney General

Question:

Please provide copies of all the monthly standard offer service invoices for the years 2003 and 2004. Each invoice should be annotated with the date and amount paid. If any amounts are disputed, please provide the amount in dispute, the status of the dispute, the basis for the dispute and if the disputed amount is included in the costs included in the reconciliation, explain why the Company is passing on such costs. Include a summary schedule tabulating the total of the invoices to correspond the amount included in the reconciliation with reference to the exhibit, page and line where the charge is included.

Response:

Attached are copies of the monthly standard offer service invoices for the years 2003 and 2004. A summary schedule tabulating the invoices can be found on page 2.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-022
Page 1 of 3

Witness: Robert A. Baumann
Request from: Attorney General

Question:

Please provide copies of all the monthly default service invoices for the years 2003 and 2004. Each invoice should be annotated with the date and amount paid. If any amounts are disputed, please provide the amount in dispute, the status of the dispute, the basis for the dispute and if the disputed amount is included in the costs included in the reconciliation, explain why the Company is passing on such costs. Include a summary, with sub-totals for each default service class, tabulating the total of the invoices to correspond the amount included in the reconciliation with reference to the exhibit, page and line where the charge is included.

Response:

Attached are copies of the monthly default service invoices for the years 2003 and 2004. A summary schedule tabulating the 2003 and 2004 invoices can be found on pages 2 and 3, respectively.

* Bulk material provided.

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Refer to Exhibit MJM-4, pages 2-5. Please provide copies of all the monthly invoices supporting each line item in this exhibit for the years 2002, 2003, 2004 and 2005, to date. Each invoice should be annotated with the date and amount paid. If any amounts are disputed, please provide the amount in dispute, the status of the dispute, the basis for the dispute and if the disputed amount is included in the costs included in the reconciliation, explain why the Company is passing on such costs. Include a summary schedule tabulating the total of the invoices to correspond the amount included in the reconciliation with reference to the exhibit, page and line where the charge is included.

Response:

Page 2 provides an invoice summary supporting the Local Network Services (LNS) expenses for the years 2002 through 2004 and the bulk attachment provides a copy of the monthly invoices. Please note the June 2003 invoice in the amount of (\$67,766) was inadvertently misstated as (\$45,346) on Exhibit MJM-4, page 3. Therefore, the cumulative 2003 LNS expense should be \$1,414,553 vs. \$1,436,973, a difference of (\$22,420). This adjustment reduces the cumulative under-recovery by \$22,420.

Pages 3 and 4 provide an invoice summary for the NEPOOL Regional Network Services (RNS) and Scheduling and Dispatch Service (S&D) expenses for the years 2002 through 2004. Pages 5 through 12 provide an invoice summary of the ISO expenses for the years 2002 through 2004. Copies of the individual invoices are included in the bulk attachment.

Please Note: The Company did not provide invoices for the 2005 expenses reflected on Exhibit MJM-4, page 5 of 5, since the data was based on forecasted information.

* Bulk material provided.

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Refer to Exhibit MJM-4. Please provide copies of the FERC approved tariffs under which the costs that are included in this exhibit are billed. The tariffs should be annotated or a key provided to identify the provisions governing the charges for each of the specific line items on Exh. MJM-4. The tariffs that should be provided include, but are not limited to, NU Tariff No. 9 and No. 10, and the various NEPOOL and ISO-NE tariff provisions.

Response:

The table below provides a key referencing the FERC or DTE approved tariffs under which the costs that are included in Exhibit MJM-4 are billed. Copies of the tariffs are provided in the bulk attachment.

<u>Expense Description</u>	<u>Document</u>	<u>Page Reference</u>	<u>Effective Date</u>
Local Network Service (LNS)	T-9 Tariff	298	10/21/03 & Prior
Local Network Service (LNS)	T-10 Tariff	181	10/22/03 - 01/31/05
Local Network Service (LNS)	ISO-NE Tariff No. 3	3275	02/01/05 - Present
Regional Network Service (RNS)	NEPOOL Tariff	269	01/31/05 & Prior
Regional Network Service (RNS)	ISO-NE Tariff No. 3	6015	02/01/05 - Present
Scheduling and Dispatch Service	NEPOOL Tariff	195	01/31/05 & Prior
Scheduling and Dispatch Service	ISO-NE Tariff No. 3	700	02/01/05 - Present
ISO Schedule 1 and Schedule 3	ISO-NE Tariff, Vol 1	19	07/01/01 - Present
<u>ISO Expenses:</u>			
Audit Charges	MDTE No.1028B	1	03/01/98 - Present
Black Start	MDTE No.1028B	1	03/01/98 - Present
Reliability Must Run (RMR)	MDTE No.1028B	1	03/01/98 - Present
VAR Support/NOATT Sch 2	MDTE No.1028B	1	03/01/98 - Present
Somerset Jet	MDTE No.1028B	1	03/01/98 - Present

* Bulk material provided.

Witness: Michael J. Mahoney; Robert A. Baumann
Request from: Attorney General

Question:

For the years 2002-2005 to date, please provide the supporting cost of service data and the formula rate calculations supporting the charges for Local Network Service, Regional Network Service, Scheduling and Dispatch Service, Audit Charges, ISO Schedule 1, ISO Schedule 3, Black Start, RMR, VAR Support/OATT Sch. 2 and Somerset Jet. Explain how each of the charges are determined, including how adjustments and true-ups are reflected in the charges.

Response:

Pages 2 through 4 provide Northeast Utilities' (NU) formula rate calculations for Local Network Service ("LNS"). Pages 5 through 7 are a sample of one month's billed LNS charges. Page 6 shows how NU's revenue requirement is allocated to WMECO based on load ratio share. Please refer to the Company's response in Information Request AG-02, Q-AG2-023 (bulk attachment) for copies of the LNS billed invoices for the period 2002 through 2004.

The Regional Network Services ("RNS"), Scheduling & Dispatch Service ("S&D"), ISO audit charges, ISO Schedule 1 and 3, Black Start, RMR, VAR Support/NOATT Sch.2, and Somerset Jet are billed directly to the Company for transmission services purchased from the Independent System Operator (ISO), therefore NU does not have cost of service data that supports these specific charges. Please refer to Information Request AG-02, Q-AG2-023 (bulk attachment) for copies of the billed invoices.

**Northeast Utilities Companies
Open Access Transmission Service
Tariff No. 9**

Calculation of Network Transmission Revenue Requirements

Calendar Year	(1) Settlement Revenue Requirements (\$/Year)	(2) Transmission Revenue Credits (*) (\$/Year)	(3) Regional Network Service Revenue Credits (\$/Year)	(4) Through or Out Revenue Credits (\$/Year)	(5)=(1)-(2)-(3)-(4) Net Network Revenue Requirements (**) (\$/Year)
Jan. - Feb. 2002	123,539,535 (A)	23,456,405 (B)	56,388,828	6,098,360	37,595,942 ^{Invoice} (Page 6 of 7)
March 2002 - May 2003	123,539,535 (A)	23,456,405 (B)	73,728,027	8,434,998	17,920,105
June 2003 - Oct. 2003	123,539,535 (A)	23,456,405 (B)	80,137,533	6,706,507	13,239,090

Assumptions:

- (A) Includes Scheduling and Dispatch (S&D) costs
- (B) Includes S&D Revenue Credits

**Northeast Utilities Companies
Open Access Transmission Service
Tariff No. 10**

Calculation of Network Transmission Revenue Requirements

Calendar Year	(1) Transmission Revenue Requirement (\$/Year)	(2) Transmission Revenue Credits (\$/Year)	(3) Regional Network Service Revenue Credits (\$/Year)	(4) Through or Out Revenue Credits (\$/Year)	(5)=(1)-(2)-(3)-(4) Net Network Transmission Revenue Requirements (\$/Year)
Nov. 2003 - Dec. 2003	124,255,325 (A)	11,044,900 (B)	80,126,303	-	33,084,122
Jan. 2004 - May 2004	140,369,919 (A)	14,968,000 (B)	84,029,197	-	41,372,722
June 2004 - Aug. 2004	145,683,711 (A)	14,143,617 (B)	83,794,200	455,000	47,290,894
Sep. 2004 - Dec. 2004	143,258,046 (A)	14,088,166 (B)	83,794,200	455,000	44,920,680
Jan. 2005	159,349,869 (A)	13,852,617 (B)	97,160,800	-	48,336,452

Assumptions:

(A) Includes Scheduling and Dispatch (S&D) costs

(B) Includes S&D Revenue Credits

Northeast Utilities Companies
Schedule 21-NU
under ISO-NE's FERC Electric Tariff No. 3

Calculation of Network Transmission Revenue Requirements

Calendar Year	(1) Transmission Revenue Requirement (\$/Year)	(2) Transmission Revenue Credits (\$/Year)	(3) Regional Network Service Revenue Credits (\$/Year)	(4) Through or Out Revenue Credits (\$/Year)	(5)=(1)-(2)-(3)-(4) Net Network Transmission Revenue Requirements (\$/Year)
Feb. 2005 - present	167,105,642 (A)	13,852,617 (B)	104,676,134	-	48,576,891

Assumptions:

(A) Includes Scheduling and Dispatch (S&D) costs

(B) Includes S&D Revenue Credits

FOR JOURNAL ENTRY ONLY

NORTHEAST UTILITIES SERVICE COMPANY BILL TO:

Western Massachusetts Electric Company

January, 2002

Network Transmission Service under NU's Tariff No. 9

Estimate

TRANSMISSION CHARGE

See Attached

ANCILLARY SERVICES - SCHED. & DISPATCH
See Attached

Adjustment - previous month

TOTAL BILL

\$248,953.70 *Page 6 of 7*

\$6,291.42 *Page 6 of 7*

\$1,441.18 *Page 7 of 7*

\$256,686.30

ties to exhibit MSM-4
PS. 2 of 2

IF PAYING BY ELECTRONIC FUND TRANSFER:

PLEASE WIRE TO:
FLEET NATIONAL BANK
HARTFORD, CT 06115
ABA# 011500010

OR

PLEASE ACH TO:
FLEET NATIONAL BANK
HARTFORD, CT 06115
ABA# 011900445

FOR NORTHEAST UTILITIES SERVICE COMPANY ACCOUNT NUMBER 0036-1203

PAYMENT TERMS-
DUE DATE -

20 days after date of Invoice
Jul-1-05

INTEREST WILL BE CHARGED IF PAYMENT IS NOT RECEIVED IN A TIMELY MANNER

PLEASE SEND A COPY OF BILL TO LISA COOPER (x2453) - NUE2

CAU-CCC	ACTIVITY	TASK	RES	FERC	AMOUNT
TRN.REV	CL&P	1T-346	NWWME		
ANC.SVC.-S&D		1T-346	SDWME	1181	164,436.03
OTHER REV.		11-346		1181	4,155.53
FERC ASSESS.		11-346		1181	0.00
TRN.REV	WMECO	4T-646	ERWME	1181	0.00
ANC.SVC.-S&D		4T-646	ESWME	1181	34,349.30
TRN.EXPENSE		4D-646	TEWME	1181	868.06
TRN.EXPENSE		4D-646	EEWME	1181	(221,468.94)
TRN.REV	HWP	3T-696	NWWME	1181	(35,217.36)
ANC.SVC.-S&D		3T-696	SDWME	1181	701.01
OTHER REV.		31-696		1181	17.72
FERC ASSESS.		31-696		1181	0.00
TRN.REV	PSNH	6T-796	NWWME	1181	0.00
ANC.SVC.-S&D		6T-796	SDWME	1181	50,873.02
OTHER REV.		06-796		1181	1,285.63
FERC ASSESS.		06-796		1181	0.00
				1181	0.00

**Western Massachusetts Electric Company
Transmission Network Services
January, 2002**

Network Revenue Requirements

36,669,257 (A)

Load Ratio Share

8.147%

Monthly Network Service Charge

\$248,953.70

+ 75,597

**Transmission Ancillary Services
January, 2002**

S&D Revenue Requirements

926,685 (B) = \$37,595,942

Load Ratio Share

8.147%

Monthly Network Service Charge

\$6,291.42

+ 75,597

06/08/2005

Western Massachusetts Electric Company
Adjustment for
Transmission Network Services
December 2001

WMECO Docket No. DTE 05-10
Information Request AG-02
Dated 06/03/2005
Q-AG2-025 - Page 7 of 7

Network Revenue Requirements	36,669,257
Load Ratio Share	<u>8.113%</u>
Monthly Network Service Charge	\$247,914.74
Original	<u>246,509.08</u>
Adjustment	<u>\$1,405.66</u> ✓

Adjustment for
Transmission Ancillary Services
December 2001

S&D Revenue Requirements	926,685
Load Ratio Share	<u>8.113%</u>
Monthly Network Service Charge	\$6,265.16
Original	<u>6,229.64</u>
Adjustment	<u>\$35.52</u> ✓

Σ ✓ = \$ 1,441.18

06/08/2005

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-026
Page 1 of 1

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Are any costs that are included in Local Network Service included in Regional Network Service costs? If yes, explain why this is not double recovery. Identify the duplicated costs by FERC account number and sub-account number, if any. Provide a copy of the tariff provisions that permit the inclusion of these costs in both charges.

Response:

The relevant tariffs do not allow for duplicate recovery of costs and there is none. The formula for Local Network Service (LNS) revenue requirements (Schedule 21-NU) starts with NU's Total Transmission Revenue Requirements. This amount is reduced by the revenues received from Regional Network Service (RNS), thus the formula ensures the recovery of total transmission revenue requirements through either LNS or RNS but not from both.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-027
Page 1 of 1

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Are any costs that are included in Local Network Service included in Scheduling and Dispatch Service costs? If yes, explain why this is not double recovery. Identify the duplicated costs by FERC account number and sub-account number, if any. Provide a copy of the tariff provisions that permit the inclusion of these costs in both charges.

Response:

No. The costs are separate and distinct.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-028
Page 1 of 1

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Are any costs that are included in Regional Network Service included in Scheduling and Dispatch costs? If yes, explain why this is not double recovery. Identify the duplicated costs by FERC account number and sub-account number, if any. Provide a copy of the tariff provisions that permit the inclusion of these costs in both charges.

Response:

No. The costs are separate and distinct.

Western Massachusetts Electric Company
Docket No. DTE 05-10

Information Request AG-02
Dated: 06/03/2005
Q- AG2-029
Page 1 of 1

Witness: Michael J. Mahoney
Request from: Attorney General

Question:

Are any costs that are included in Local Network Service, Regional Network Service and Scheduling and Dispatch Service costs included in any of the ISO Expenses? If yes, explain why this is not double recovery. Identify the duplicated costs by FERC account number and sub-account number, if any. Provide a copy of the tariff provisions that permit the inclusion of these costs in both charges.

Response:

No. The costs included in Local Network, Regional Network and Scheduling and Dispatch Service are not included as part of ISO expenses.